

**North Dakota  
Schedule K-1  
(Form 38)**

## 2007

**Beneficiary's Share of North Dakota Income (Loss), Deductions, Adjustments, Credits, and Other Items**

► See separate instructions

## Part 1 Estate or trust information

**A** Estate's or trust's federal EIN

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**B** Name of estate or trust

**C** Fiduciary's name, address, city, state, and ZIP code

## Part 2 Beneficiary information

D Beneficiary's SSN or FEIN (from Federal Schedule K-1)

**E** Beneficiary's name, address, city, state, and ZIP code  
(from Federal Schedule K-1)

**F** What type of entity is this beneficiary? \_\_\_\_\_

**G** If beneficiary is an individual, estate, or trust, beneficiary is a:

☐ **Full-year resident** of North Dakota☐ Part-year resident of North Dakota☐ **Full-year nonresident** of North Dakota

**H** If beneficiary is a full-year nonresident individual, is beneficiary included in a composite return? ☐ Yes ☐ No

### Part 3 All beneficiaries - North Dakota adjustments and tax credits

- 1 Federally-exempt income from non-ND state and local bonds and foreign securities \_\_\_\_\_
- 2 State and local income taxes deducted in calculating ordinary income (loss) \_\_\_\_\_
- 3 Interest from U.S. obligations \_\_\_\_\_
- 4 Renaissance zone income exemption \_\_\_\_\_
- 5 New or expanding business exemption \_\_\_\_\_
- 6 a Beginning farmer gain deduction \_\_\_\_\_  
b Beginning farmer interest deduction \_\_\_\_\_  
c Beginning farmer rent deduction \_\_\_\_\_
- 7 Beginning entrepreneur rent deduction \_\_\_\_\_
- 8 Gain from eminent domain sale \_\_\_\_\_
- 9 College SAVE contribution deduction \_\_\_\_\_

☐ Final      ☐ Amended

Estate's or ☐ Calendar year 2007 (Jan. 1 - Dec. 31, 2007)

trust's tax  
year: ☐ Fiscal year: Beginning \_\_\_\_\_, 2007  
Ending \_\_\_\_\_, 20\_\_\_\_

## Part 3 continued . . .

|           |  |       |       |
|-----------|--|-------|-------|
| <b>10</b> | Renaissance zone: Historic property preservation/renovation tax credit         | ----- | _____ |
| <b>11</b> | Renaissance zone: Renaissance fund organization investment tax credit          | ----- | _____ |
| <b>12</b> | Seed capital investment tax credit   | ----- | _____ |
| <b>13</b> | Agricultural commodity processing facility investment tax credit               | ----- | _____ |
| <b>14</b> | Supplier biodiesel fuel tax credit   | ----- | _____ |
| <b>15</b> | Seller biodiesel fuel tax credit   | ----- | _____ |
| <b>16</b> | Biomass, geothermal, solar, or wind energy device tax credit                   | ----- | _____ |
| <b>17</b> | Certified North Dakota nonprofit development corporation investment tax credit | ----- | _____ |
| <b>18</b> | Employer internship program tax credit   | ----- | _____ |
| <b>19</b> | Microbusiness tax credit   | ----- | _____ |
| <b>20</b> | Research expense tax credit  | ----- | _____ |
| <b>21</b> | Angel fund investment tax credit   | ----- | _____ |
| <b>22</b> | Endowment fund tax credit  | ----- | _____ |

[illegible]

|    |  |       |       |
|----|--|-------|-------|
| 23 | Interest income                        | _____ | _____ |
| 24 | Ordinary dividends                     | _____ | _____ |
| 25 | Net short-term capital gain            | _____ | _____ |
| 26 | Net long-term capital gain             | _____ | _____ |
| 27 | Other portfolio and nonbusiness income | _____ | _____ |
| 28 | Ordinary business income               | _____ | _____ |
| 29 | Net rental real estate income          | _____ | _____ |
| 30 | Other rental income                    | _____ | _____ |
| 31 | Directly apportioned deductions        | _____ | _____ |
| 32 | Final year deductions                  | _____ | _____ |
| 33 | Other                                  | _____ | _____ |

## Part 5 Nonresident individual beneficiary only

34 North Dakota distributive share of income (loss) \_\_\_\_\_

35 North Dakota income tax withheld \_\_\_\_\_

36 North Dakota composite income tax \_\_\_\_\_

**2007****Beneficiary's Instructions for North Dakota Schedule K-1 (Form 38)****Purpose of schedule**

North Dakota Schedule K-1 (Form 38) is provided to you by the fiduciary for the estate or trust to show your share of the income, gains, losses, deductions, and other items from the estate or trust that you need to complete your North Dakota income tax return. These instructions will assist you in transferring the amounts from the schedule to your North Dakota income tax return.

**Partnership or corporation beneficiary.**

If you are a corporation, partnership, or a limited liability company treated like a corporation or partnership, you have received North Dakota Schedule K-1 only to show your share of the estate's or trust's North Dakota statutory adjustments or tax credits that may affect the preparation of your North Dakota income tax return. See the instructions to Part 3.

**Resident individual, estate, or trust beneficiary.**

If you are a North Dakota resident individual, estate, or trust, you must report to North Dakota your entire share of the estate's or trust's income, gains, losses, and deductions included in your federal taxable income. You have received North Dakota Schedule K-1 only to show your share of the estate's or trust's North Dakota statutory adjustments or tax credits that may affect the preparation of your North Dakota income tax return. See the instructions to Part 3.

**Nonresident individual, estate, or trust beneficiary.**

If you are a nonresident individual, estate, or trust, you must report to North Dakota your share of the estate's or trust's income, gains, losses, and deductions having their source in North Dakota. These items are shown in Part 4 of North Dakota Schedule K-1. Unless you are a nonresident individual who elected to include your share of these items in a composite return filed on your behalf by the fiduciary for the estate or trust, you must file a North Dakota income tax return to report and pay the required income tax on them.

**Composite return election.** If you are a nonresident individual who elected to include your share of the estate's or trust's North Dakota income, gains, losses, and deductions in a composite return filed by the fiduciary for the estate or trust, you are not required to file a North Dakota individual income tax return. If this applies to you, you received North Dakota Schedule K-1 only to show your share

of these items and the composite income tax paid on them. If you later choose to file your own North Dakota individual income tax return, follow the instructions below to transfer the amounts from North Dakota Schedule K-1 to your return.

**Amended Schedule K-1 (Form 38).** If you received an amended North Dakota Schedule K-1 (Form 38) from the fiduciary for the estate or trust, and you previously filed a North Dakota income tax return to report your share of income, etc., from the estate or trust, you must file an amended North Dakota income tax return to report the changes in income, gains, losses, and deductions. You also must attach a copy of the amended North Dakota Schedule K-1 (Form 38) to your amended North Dakota income tax return.

**Part 3****All beneficiaries—North Dakota adjustments and tax credits**

*Note: Wherever you see "Not applicable" in the right-hand column of the following lists, it means that the item does not apply to the return being completed; do not enter the item on the return.*

**Lines 1–22***Form ND-1 filer:*

Include the amount

| from this schedule: | On:                      |
|---------------------|--------------------------|
| Lines 1–2           | Not applicable           |
| Line 3              | Form ND-1, line 6        |
| Line 4              | Sch. RZ, Part 1, line 14 |
| Line 5              | Sch. ND-1SA, line 2      |
| Lines 6–8           | Not applicable           |
| Line 9              | Form ND-1, line 13       |
| Line 10             | Sch. RZ, Part 4, line 7  |
| Line 11             | Sch. RZ, Part 5, line 4  |
| Line 12             | Sch. ND-1TC, line 4      |
| Line 13             | Sch. ND-1TC, line 3      |
| Line 14             | Sch. ND-1TC, line 6      |
| Line 15             | Form ND-1TC, line 7      |
| Lines 16–17         | Not applicable           |
| Line 18             | Sch. ND-1TC, line 8a     |
| Line 19             | Sch. ND-1TC, line 9a     |
| Line 20             | Sch. ND-1TC, line 10a    |
| Line 21             | Sch. ND-1TC, line 11     |
| Line 22             | Sch. ND-1TC, line 12     |

*Form ND-2 (Schedule 2 filer only):*

Include the amount

| from this schedule: | On:                      |
|---------------------|--------------------------|
| Line 1              | Sch. 2, line 2           |
| Line 2              | Sch. 2, line 3           |
| Line 3              | Sch. 2, line 7           |
| Line 4              | Sch. RZ, Part 1, line 14 |
| Line 5              | Sch. 2, line 19          |
| Line 6a             | Sch. 2, line 14          |
| Line 6b             | Sch. 2, line 12          |
| Line 6c             | Sch. 2, line 13          |
| Line 7              | Sch. 2, line 16          |
| Line 8              | Sch. 2, line 19          |
| Line 9              | Sch. 2, line 19          |
| Line 10             | Sch. RZ, Part 4, line 7  |
| Line 11             | Sch. RZ, Part 5, line 4  |
| Lines 12–22         | Page 1, line 4           |

*Form ND-2 (Schedule 3 filer only):*

Include the amount

| from this schedule: | On:                      |
|---------------------|--------------------------|
| Line 1              | Sch. 3, Part 1, line 12  |
| Line 2              | Sch. 3, Part 1, line 17  |
| Line 3              | Not applicable           |
| Line 4              | Sch. RZ, Part 1, line 14 |
| Line 5              | Sch. 3, Part 1, line 5   |
| Line 6a             | Sch. 3, Part 1, line 4   |
| Line 6b             | Sch. 3, Part 1, line 2   |
| Line 6c             | Sch. 3, Part 1, line 3   |
| Line 7–9            | Sch. 3, Part 1, line 5   |
| Line 10             | Sch. RZ, Part 4, line 7  |
| Line 11             | Sch. RZ, Part 5, line 4  |
| Lines 12–22         | Page 1, line 4           |

*Form 38 (Schedule 1 filer only):*

Include the amount

| from this schedule: | On:                      |
|---------------------|--------------------------|
| Lines 1–2           | Not applicable           |
| Line 3              | Sch. 1, line 4a          |
| Line 4              | Sch. RZ, Part 1, line 14 |
| Line 5              | Sch. 1, Part 1, line 4c  |
| Lines 6–8           | Not applicable           |
| Line 9              | Sch. 1, Part 1, line 4c  |
| Line 10             | Sch. RZ, Part 4, line 7  |
| Line 11             | Sch. RZ, Part 5, line 4  |
| Lines 12–15         | Form 38, page 1, line 3  |
| Lines 16–17         | Not applicable           |
| Lines 18–22         | Form 38, page 1, line 3  |

*Form 38 (Schedule 2 filer only):*

Include the amount

| from this schedule: | On:                      |
|---------------------|--------------------------|
| Lines 1–2           | Sch. 2, Part 1, line 2   |
| Line 3              | Sch. 2, Part 1, line 4a  |
| Line 4              | Sch. RZ, Part 1, line 14 |
| Lines 5–9           | Sch. 2, Part 1, line 4a  |
| Line 10             | Sch. RZ, Part 4, line 7  |
| Line 11             | Sch. RZ, Part 5, line 4  |
| Lines 12–22         | Form 38, page 1, line 3  |

*Form 40 filer:*

Include the amount from this schedule: On:

|           |                          |
|-----------|--------------------------|
| Line 1    | Sch. SA, line 5          |
| Line 2    | Sch. SA, line 3          |
| Line 3    | Sch. SA, line 11         |
| Line 4    | Sch. RZ, Part 1, line 14 |
| Line 5    | Page 1, line 9           |
| Lines 6–7 | Not applicable           |
| Line 8    | Sch. SA, line 17         |
| Line 9    | Not applicable           |
| Line 10   | Sch. RZ, Part 4, line 7  |
| Line 11   | Sch. RZ, Part 5, line 4  |
| Line 12   | Sch. TC, line 14         |
| Line 13   | Sch. TC, line 17         |
| Line 14   | Sch. TC, line 15         |
| Line 15   | Sch. TC, line 16         |
| Line 16   | Sch. TC, line 5          |
| Line 17   | Sch. TC, line 11         |
| Line 18   | Sch. TC, line 20         |
| Line 19   | Sch. TC, line 19         |
| Line 20   | Sch. TC, line 8          |
| Line 21   | Sch. TC, line 21         |
| Line 22   | Sch. TC, line 18         |

*Form 35 filer:*

Include the amount from this schedule: On:

|             |                          |
|-------------|--------------------------|
| Line 1      | Sch. SA, line 4          |
| Line 2      | Sch. SA, line 3          |
| Line 3      | Not applicable           |
| Line 4      | Sch. RZ, Part 1, line 14 |
| Lines 5–9   | Not applicable           |
| Line 10     | Sch. RZ, Part 4, line 7  |
| Line 11     | Sch. RZ, Part 5, line 4  |
| Lines 12–22 | Not applicable           |

*Forms 58 and 60:* Include the amounts from lines 1–22 of this schedule on the applicable lines of Schedule K of Form 58 or Form 60.

## Part 4 Nonresident individual, estate, or trust beneficiaries only—North Dakota income (loss)

If you are a nonresident individual, estate, or trust, lines 23 through 33 of Part 4 show your share of the estate's or trust's North Dakota income, gains, losses, and deductions that you must report on your North Dakota income tax return. Transfer these amounts to your North Dakota income tax return as instructed below based on the type of return you are filing.

If the full amount of any item is not included in your adjusted gross income on your federal income tax return because of limitations on the deductibility of a passive activity loss, capital loss, section 179 deduction, or for any other reason, enter on your North Dakota return only that portion of the item included in your federal adjusted gross income.

### Attach a statement to your North Dakota income tax return explaining any difference between an amount shown on North Dakota Schedule K-1 (Form 38) and the amount reported on your North Dakota income tax return.

*Form ND-1 filer (nonresident only):*

|  |  |
|--|--|
| Include the amount from this schedule: | On Schedule ND-1NR, Column B:                              |
| Lines 23–24                            | Line 2   |
| Lines 25–26                            | Line 4   |
| Lines 27–31                            | Line 6   |
| Line 32                                | Line 4 (if capital loss) or line 8 (if net operating loss) |
| Line 33                                | Line 8   |

*Form ND-2 filer (nonresident only):*

|  |  |
|--|--|
| Include the amount from this schedule: | On Schedule 3, Part 2, Column B:                           |
| Lines 23–24                            | Line 2   |
| Lines 25–26                            | Line 4   |
| Line 27–31                             | Line 6   |
| Line 32                                | Line 4 (if capital loss) or line 8 (if net operating loss) |
| Line 33                                | Line 8   |

*Form 38, Schedule 1 filer (nonresident only)*

|  |  |
|--|--|
| Include the amount from this schedule: | On Schedule 1, Part 2, Column B:                           |
| Line 23                                | Line 1   |
| Line 24                                | Line 2   |
| Lines 25–26                            | Line 4   |
| Lines 27–31                            | Line 5   |
| Line 32                                | Line 4 (if capital loss) or line 8 (if net operating loss) |
| Line 33                                | Line 8   |

*Form 38, Schedule 2 filer (nonresident only)*

|  |  |
|--|--|
| Include the amount from this schedule: | On Schedule 2, Part 2, Column B:                           |
| Line 23                                | Line 1   |
| Line 24                                | Line 2   |
| Lines 25–26                            | Line 4   |
| Lines 27–31                            | Line 5   |
| Line 32                                | Line 4 (if capital loss) or line 8 (if net operating loss) |
| Line 33                                | Line 8   |

## Part 5 Nonresident individual beneficiary only

Lines 34 through 36 apply only to a nonresident individual beneficiary.

### Line 34

This is the net amount of your North Dakota distributive share of income (loss) from the estate or trust. Do not enter the amount from this line anywhere on your return. ***It is for your information only.***

If you have a North Dakota distributive share of income of \$1,000 or more, the fiduciary for the estate or trust was required to withhold North Dakota income tax from it at the rate of 5.54% unless you elected to include it in a composite return filed by the fiduciary.

### Line 35

The amount shown on this line is the amount of North Dakota income tax withheld by the fiduciary for the estate or trust from your North Dakota distributive share of income. Include this amount on Form ND-1, line 26, or Form ND-2, page 1, line 8. **Attach a copy of North Dakota Schedule K-1 (Form 38) to your return.**

### Line 36

If you elected to include your North Dakota distributive share of income (loss) in a composite return, the amount shown on this line is the amount of North Dakota composite income tax paid on your behalf by the fiduciary for the estate or trust. If you made this election, you are not required to file your own North Dakota individual income tax return. ***This is for your information only.***

**Note:** If you later choose to file your own North Dakota individual income tax return, you may claim this amount as a tax payment on your return. Attach a copy of the North Dakota Schedule K-1 (Form 38) to your return to support the amount claimed.